

USDA 9006 - Economic Impact and New Opportunities

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Wind Powering America State Summit, 2006

Jack Joins the Pack...



USDA Farm Bill Section 9006

FY 2003-2005

State	Percentage of Population Aged 65 and Over
Alaska	~8.5%
Alabama	~9.5%
Arizona	~10.5%
Arkansas	~9.5%
California	~11.5%
Colorado	~10.5%
Connecticut	~14.5%
Delaware	~13.5%
District of Columbia	~14.5%
Florida	~12.5%
Georgia	~10.5%
Hawaii	~10.5%
Idaho	~9.5%
Illinois	~11.5%
Indiana	~9.5%
Iowa	~10.5%
Kansas	~10.5%
Kentucky	~9.5%
Louisiana	~9.5%
Maine	~13.5%
Maryland	~13.5%
Massachusetts	~14.5%
Michigan	~11.5%
Minnesota	~10.5%
Mississippi	~9.5%
Missouri	~10.5%
Montana	~9.5%
Nebraska	~10.5%
Nevada	~8.5%
New Hampshire	~13.5%
New Jersey	~13.5%
New Mexico	~8.5%
New York	~14.5%
North Carolina	~10.5%
North Dakota	~9.5%
Ohio	~11.5%
Oklahoma	~9.5%
Oregon	~10.5%
Pennsylvania	~13.5%
Rhode Island	~14.5%
South Carolina	~10.5%
South Dakota	~9.5%
Tennessee	~9.5%
Texas	~10.5%
Vermont	~13.5%
Virginia	~10.5%
Washington	~10.5%
West Virginia	~9.5%
Wisconsin	~11.5%
Wyoming	~9.5%



- 434 projects in 37 states including a broad range of EE and RE technologies
- \$66.2 million in awards have leveraged over \$860 million in rural energy projects
- Awards include 300+ MW in wind and 170 million gal/year of ethanol and biodiesel production.

NREL collaborates with USDA to bring technical expertise the Section 9006 program

- Work with USDA on program design
- Technical review of all applications
- Engage DOE program networks in outreach and technical support

USDA 9006 Program Status Report

- Draft currently under review
- Estimates of Energy Savings and Emissions Impacts of all Technologies
- Expected to be released some time this summer

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Section 9006: FY 03-05 Grant Awards

	2003	2004	2005
Digesters	\$ 7,446,530	\$ 9,508,946	\$ 5,018,017
Bioenergy	\$ 2,529,005	\$ 3,136,132	\$ 2,118,391
EE Buildings	\$ 262,037	\$ 1,635,799	\$ 783,019
EE Industrial	\$ 1,242,215	\$ 177,175	\$ 827,410
Geothermal	--	\$ 285,353	\$ 94,930
Hybrid	\$ 2,112,977	\$ 126,992	\$ 199,863
Solar	\$ 725,566	\$ 54,822	\$ 661,855
Wind, large	\$ 7,201,769	\$ 7,301,540	\$ 12,432,626
Wind, small	\$ 187,134	\$ 585,290	\$ 101,157
TOTAL	\$ 21,707,233	\$ 22,812,049	\$ 22,237,268

USDA Section 9006 Interim Online Tracking Administration

John Brown's National Office Management session will expire in 57:39 minutes.

USDA Section 9006 Online Tracking Administration

Welcome to the USDA Section 9006 Online Tracking Administration.

National Application Overview

As of June 07, 2006, 10:10:08 PM EDT

Technology	Applications to date	Agricultural Producers	Small Business	Grant Funds Requested (\$)	Loan Funds Requested (\$)	Total Project Funds (\$)
RENEWABLE ENERGY						
Biomass, Bioenergy	106	16	90	\$27,512,731.00	\$32,442,618.00	\$1,132,580,329.00
Anaerobic Digester	29	19	10	\$10,632,836.00	\$0.00	\$51,208,207.00
Geothermal, electric generation	1	0	1	\$150,000.00	\$0.00	\$600,000.00
Geothermal, direct use	15	2	13	\$768,372.00	\$0.00	\$3,073,504.00
Hydrogen	0	0	0	\$0.00	\$0.00	\$0.00
Solar, small	23	5	18	\$1,066,289.00	\$0.00	\$9,266,249.00
Solar, large	15	8	7	\$1,115,740.00	\$0.00	\$4,560,546.00
Wind, small	49	21	28	\$1,101,124.00	\$0.00	\$4,529,835.00
Wind, large	26	0	26	\$8,639,882.00	\$900,000.00	\$139,952,347.00
Hybrid	7	0	7	\$646,774.00	\$0.00	\$6,673,132.00
ENERGY EFFICIENCY						
Efficiency, Buildings	105	33	72	\$3,294,773.00	\$0.00	\$14,199,458.00
Efficiency, Industrial	234	162	72	\$5,761,531.00	\$0.00	\$27,754,239.00
Total	610	266	344	\$60,690,052.00	\$33,342,618.00	\$1,394,399,046.00

Show summary by financing type:

Show summary by state:

Views: ☒ All ☐ Active ☐ Save to File

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2006 Small & Large Wind Active Applications: ~ 90MW

State	Small	Large
Arkansas	1	
California		1
Colorado	1	
Idaho	2	
Illinois		2
Iowa	8	3
Kansas	1	
Massachusetts	3	1
Michigan	3	
Minnesota	16	13
North Carolina		1
North Dakota	1	
Oregon	1	
South Dakota	1	1
Wisconsin	6	1
Wyoming	2	1

2006 Wind Stats

- Large Wind
 - 25 Active Applications
 - ~85MW
 - \$1,600/kW Project Costs
- Small Wind
 - 49 Active Applications
 - ~5MW
 - \$3,800/kW Project Costs



New Opportunities in 9006

	Grant	Guaranteed Loan	Combination	Simplified Application
Small Wind	✓	✓	✓	✓
Community Wind	✓	✓	✓	
Wind Farm				

Financing Options for Any Size Project

- Guaranteed Loans

- No Financial Need – great option for large projects
- Requests up to \$10M
- Request must not exceed 50% of total project costs
- Fees are very low
 - 1.0% of guarantee w/ annual renewal fee of 0.125% (FY2006)
- Can be combined with other loan guarantees such as USDA B&I

- Grants

- Renewable Energy grants from \$2,500 to \$500K
- Grant request must not exceed 25% of project
- Must demonstrate financial need
- Awarded in competitive solicitation (1 in FY 2006, more in 2007?)

Grant and Loan Combined Applications

- Can combine grant and loan together for one project
- Combined funding cannot exceed 50%
- Must demonstrate financial need



Easier for Small Projects to Apply

- Simplified Application Process

- New program rules make the 9006 program more attractive to small projects
- Most projects under \$200K now get a helping hand
 - Reduced documentation requirements
 - Simplified technical information
 - Extra points in scoring make small projects more competitive

- Tools for Small Projects

- NREL has developed some tools to help applicants of small wind projects even more
- Technical Worksheet developed to help applicants submit project information
- Sample Wind Application Produced to provide clear guidance
- Sample Application and Technical Worksheet available at:
 - www.farmenergy.org

Challenges for 2007

- Improving the process
 - Mine Status Report and underlying data to determine how USDA, Rural America, state and local governments and industry can better work together to accomplish common goals
 - Survey early projects to determine actual impact and compare to projected
- Competing with Ethanol
- Funding
 - Congress continues to debate the amount of funding for the program
- Will the program be included in the 2008 Farm Bill?

Table E1. Status of All Awarded Projects, FY 2003-05

Award Year	Grants Awarded	% of Projects Completed	% of Projects Remaining Active	Funds Obligated to Active Projects	Total Active Project Costs
FY 2003	114	37%	89%	\$19,325,283	\$398,724,687
FY 2004	167	63%	95%	\$22,592,347	\$165,021,594
FY 2005	154	n/a	96%	\$22,221,868	\$202,210,310
TOTAL	435	n/a	95%	\$64,139,498	\$765,956,591

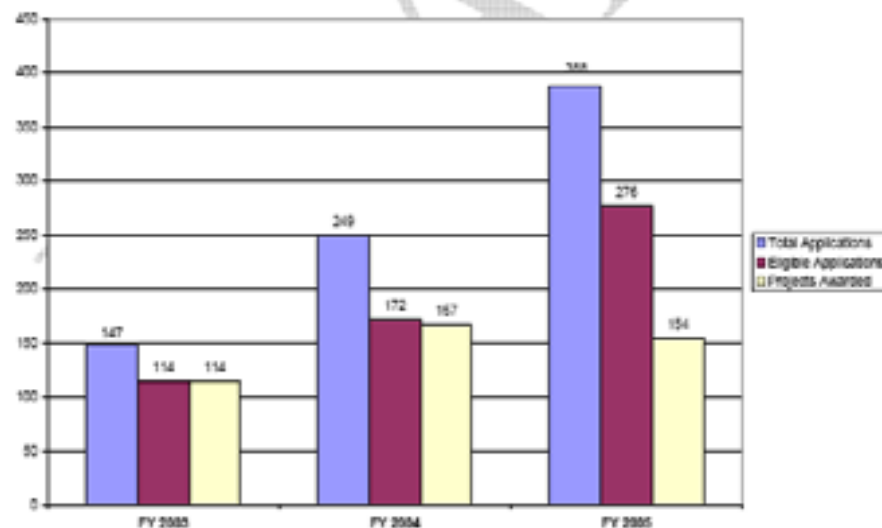


Figure 1. Summary of Applications Received, FY 2003-05.